

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 AGRE-00 COME-00 TRSE-00

STR-07 ITC-01 L-03 CIAE-00 DODE-00 INR-10 NSAE-00

PA-02 ICA-20 SP-02 CTME-00 /068 W

-----028867 142121Z /41

P R 142033Z JUL 78

FM AMEMBASSY BRASILIA

TO STATE WASHDC PRIORITY 8279

INFO AMEMBASSY SAN SALVADOR

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 5521

E.O. 11652: N/A

TAGS: EAGR, BR

SUBJECT: REPORTS ON CFTC INVESTIGATION OF INTERBRAS COFFEE  
PURCHASES

REF: (A) 77 STATE 191685, (B) BRASILIA 0106, (C) BRASILIA

1565 (D) STATE 63328, (E) STATE 70694, (F) 77 BRASILIA

6564, (G) BRASILIA 5445

1. SUMMARY: BRAZILIAN NEWSPAPER REPORTS THAT CFTC HAS  
SUBPOENAED INTERBRAS MANAGEMENT TO TESTIFY IN CFTC INVE-  
STIGATIONS OF 1977 INTERBRAS PURCHASES OF SALVADOREAN  
COFFEE ON NEW YORK COFFEE MARKET. ACTION REQUESTED:  
DEPARTMENT PLEASE INFORM WHETHER THIS IS NEW CFTC SUBPOENA  
OR IS CONTINUATION OF INVESTIGATION STATED IN 1977. END  
SUMMARY.

2. ACCORDING TO THE JULY 14 ESTADO DE SAO PAULO, INTERBRAS  
MANAGEMENT IN RIO DE JANEIRO RECEIVED A SUBPOENA FROM THE  
CFTC TO TESTIFY IN WASHINGTON ABOUT INTERBRAS PURCHASES  
OF SALVADOREAN COFFEE ON THE NEW YORK MARKET IN JUNE  
AND JULY, 1977. THE ARTICLE REPORTED THAT LOCAL  
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COFFEE TRADE SOURCES SAID THAT THE CFTC ALSO WANTED  
TO EXAMINE DOCUMENTS RELATED TO ALL INTERBRAS COMMO-  
DITIES ACTIVITY IN THE US, NOT JUST THE COFFEE  
PURCHASES, AND THESE SOURCES QUALIFIED SUCH A REQUEST  
AS "IMPROPER."

3. THE ARTICLE STATES THAT THE CFTC'S ALLEGATION IS

THAT INTERBRAS COFFEE PURCHASES WERE MADE IN COLLUSION  
WUTH THE SALVAROREAN COFFEE CO. (COSCAFE) WITH THE  
INTENTION OF RAISING PRICES.

4. THE ARTICLE CARRIED COMMENTS BY LOCAL COFFEE TRADE  
SOURCES THAT THIS CFTC MOVE WAS MADE TO "INTIMIDATE"  
BRAZIL AND DISCOURAGE ANY CONTEMPLATED FURTHER PURCHASES  
AT THIS TIME WHEN COFFEE PRICES ARE LOW (FROM THE  
PRODUCER'S VIEWPOINT) AND DECLINING. THESE SOURCES  
ALSO SUGGESTED A RELATIONSHIP BETWEEN IBC PRESIDENT  
CALAZANS' RECENT STATEMENT TO THE EFFECT THAT BRAZIL  
MIGHT BUY COFFEE AGAIN (REF G) AND THE CFTC  
SUBPOENA.

5. ACTION REQUESTED: DEPARTMENT PLEASE INFORM EMBASSY  
WHETHER CFTC HAS IN FACT RECENTLY ISSUED A SUBPOENA TO  
INTERBRAS MANAGEMENT AS DESCRIBED IN ESTADO DE SAO PAULO  
ARTICLE, OR WHETHER THIS NEWSPAPER REPORT IS BASED ON  
PREVIOUS SUBPOENAS ISSUED BY CFTC FOR INVESTIGATION  
BEGUN LAST YEAR (REFS A-E). FYI: EMBASSY DOES NOT  
DISCOUNT LATTER POSSIBILITY,AS IN AT LEAST ONE  
PAST OCCASION (REF F), MAJOR LOCAL NEWSPAPERS CARRIED  
COFFEE STORIES BASED ON EVENTS THAT HAD OCCURRED SOME  
MONTHS BEFORE. END FYI.  
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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, COFFEE, PROCUREMENT, INVESTIGATIONS, SUBPOENAS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** REPORTS ON CFTC INVESTIGATION OF INTERBRAS COFFEE PURCHASES  
**TAGS:** EAGR, BR, ES, CFTC, INTEBRAS  
**To:** STATE  
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